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REF/C/GENADMIN/CNO WASHINGTON DC/061407ZJUL2001 REF/D/GENADMIN/PEO IT WASHINGTON DC/211601ZMAR2003 NARR/REF A IS THE MONTHLY CONTRACT SUMMIT CHAIRED BY DIR NMCI PCO AND THE NMCI CONTRACTOR, EDS. REF B IS THE NMCI CONTRACT. REF C IS CNO MESSAGE DESCRIBING NMCI DESKTOP OWNERSHIP TRANSITION. REF D IS DIR NMCI MESSAGE REGARDING NMCI-SUMMER 2003 SCHEDULE RESTRUCTURING AND AOR CRITERIA CHANGES.

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/EMAIL:LEE.DAVIS@NAVY.MIL RMKS/1. REF A MONTHLY CONTRACT SUMMIT WAS CONVENED BY DIRECTOR, NMCI AND THE NMCI CONTRACTOR, EDS, IN AN EFFORT TO CLARIFY AND RESOLVE ONGOING CONTRACT EXECUTION ISSUES. RESULTS OF REF A, CONTRACT SUMMIT, WILL BE RELEASED VIA NAVAL MESSAGE AND POSTED TO DIR NMCI WEBSITE (WWW.NMCI.NAVY.MIL).

2. CONTRACT SUMMIT REVIEWED THE LARGE INCIDENCE OF REJECTED CONTRACTOR INVOICES BY THE GOVERNMENT. THIS REVIEW DETERMINED THAT TWO MAJOR CAUSES OF INVOICE REJECTIONS ARE DISAGREEMENT BETWEEN THE GOVERNMENT AND CONTRACTOR ON ASSUMPTION OF RESPONSIBILITY (AOR) START DATE AND AOR SEAT COUNT. CURRENT DIRECTIONS AND GUIDANCE FOR DEVELOPMENT OF THE AOR START DATE AND AOR SEAT COUNT ARE DELINEATED IN REFS C-D. THE FOLLOWING INVOICING BUSINESS RULES REQUIRE MUTUALLY AGREED UPON AOR START DATE AND AOR SEAT COUNT.

3.AOR INVOICING BUSINESS RULES. IAW REF B, CONTRACTOR WILL INVOICE, AND BE PAID FOR SERVICES DELIVERED DURING AOR, BASED ON THE AOR START DATE AND AOR SEAT COUNT. AS DIRECTED BY REF D, THIS AOR START DATE AND AOR SEAT COUNT WILL BE AGREED UPON PRIOR TO AOR IAW REF D REQUIRED DOCUMENTATION, THE SIGNED, COMPLETED SITE CONCURRENCE MEMORANDUM (SCM) AND PRELIMINARY SITE QUESTIONNAIRE (PSQ). THE CONTRACTOR AGREES TO ACCEPT THE CO-SIGNED (CONTRACTOR AND GOVERNMENT) DD FORM 1149 GOVERNMENT PROPERTY TRANSFER DOCUMENT WHICH DETAILS THE AS-IS ENVIRONMENT TRANSFERRED TO THE CONTRACTOR AT START OF AOR AS EVIDENCE OF AOR START DATE AND AOR SEAT COUNT. HOWEVER, CAUTION IS RECOMMENDED IF USING THE DD FORM 1149, AS THIS INVENTORY MAY NOT CLEARLY DISTINGUISH BETWEEN ACTUAL SEATS AND EXCESS OR SPARE EQUIPMENT. THIS GOVERNMENT AND CONTRACTOR AGREED TO AOR START DATE AND AOR SEAT COUNT WILL BE THE BASIS FOR INVOICING AND PAYMENT DURING AOR.

4. ORDERING POLICY: COMMANDS WILL ORDER THE QUANTITY OF SEAT CLINS 0001 THRU 0005 DESIRED FOR THE CUTOVER NMCI ENVIRONMENT. ORIGINATOR ACKNOWLEDGES THAT THIS SEAT ORDER MAY BE EQUAL TO, GREATER, OR LESS THAN THE AOR SEAT COUNT. BASED ON THESE POSSIBILITIES, THE FOLLOWING THREE SCENARIOS AND ACCOMPANYING BUSINESS RULES APPLY:

SCENARIO 1: AOR SEAT COUNT = SEAT ORDER

INVOICE/PAYMENT RULE: CONTRACTOR WILL INVOICE, AND BE PAID, TO THE SEAT ORDER.

SCENARIO 2A: AOR SEAT COUNT > SEAT ORDER

INVOICE/PAYMENT RULE: IF COMMAND ENTERING AOR AGREES TO DROP SERVICE TO EXCESS AOR SEATS AS THEY ENTER AOR, THEN CONTRACTOR WILL INVOICE, AND BE PAID, TO THE SEAT ORDER. EXCESS AOR SEAT COUNT EQUALS AOR SEAT COUNT MINUS CUTOVER SEAT COUNT. NOTE: ALTHOUGH ALL AOR SEATS ARE NOT GOING TO

BE CUTOVER IN THIS SCENARIO, THESE SEATS ARE PART OF THE PREEXISTING ENVIRONMENT AND ALL WILL BE TRANSFERRED.

SCENARIO 2B: AOR SEAT COUNT > SEAT ORDER

INVOICE/PAYMENT RULE: IF COMMAND ENTERING AOR DESIRES TO KEEP EXCESS AOR SEATS OPERATIONAL ON THE EXISTING NETWORK FOR SOME PERIOD AFTER AOR AND/OR UNTIL CUTOVER, COMMAND MUST SUBMIT A STRUCTURED SEAT ORDER. THIS STRUCTURED SEAT ORDER WILL REFLECT THE NUMBER OF CUTOVER SEATS AS WELL AS CLIN 004101, IOT PROVIDE SERVICE FOR THE AOR SEATS THAT THEY DO NOT INTEND TO CUTOVER. THE STRUCTURED SEAT ORDER SHOULD BE MODIFIED WHEN THE EXCESS AOR SEATS ARE NO LONGER REQUIRED. CONTRACTOR WILL INVOICE, AND BE PAID, TO THE SEAT ORDER.

SCENARIO 3: AOR SEAT COUNT < SEAT ORDER

INVOICE/PAYMENT RULE: CONTRACTOR WILL INVOICE, AND BE PAID, TO AOR SEAT COUNT. INCREMENTAL INVOICING WILL OCCUR AS SEATS ARE CUTOVER AS REFLECTED IN CONTRACTOR ASSET MANAGEMENT DATABASE, ASSET CENTER. THIS AUTOMATED DATABASE WILL BE AVAILABLE FOR GOVERNMENT REVIEW IOT CERTIFY THE INCREASING SEAT COUNT AS FULL CUTOVER IS APPROACHED. CONTRACTOR WILL THEN INVOICE, AND BE PAID, TO THE SEAT ORDER UPON COMPLETION OF CUTOVER. HOWEVER, UNTIL THE SEAT IS REFLECTED BY CONTRACTOR AS CUTOVER IN ASSET CENTER, AND CONFIRMED BY THE GOVERNMENT, CONTRACTOR WILL INVOICE AND BE PAID TO THE AOR SEAT COUNT. NUMERICAL EXAMPLES OF THE ABOVE ORDERING AND INVOICING SCENARIOS ARE POSTED TO THE DIR NMCI WEBSITE.

5. COMMANDS THAT DID NOT COMPLETE A CO-SIGNED SCM, PSQ AND/OR DD-1149 PRIOR TO AOR ARE INSTRUCTED TO DO SO IMMEDIATELY IN CONJUNCTION WITH CONTRACTOR IOT DETERMINE THE AOR START DATE AND AOR SEAT COUNT. THE LACK OF REQUIRED AOR DOCUMENTATION DOES NOT RELIEVE THE GOVERNMENT OF THE REQUIREMENT TO PROVIDE SUPPORTING EVIDENCE FOR AN INVOICE REJECTION BASED SOLELY ON A DISPUTED AOR START DATE OR AOR SEAT COUNT. NOR DOES IT RELIEVE THE CONTRACTOR OF THE NEED TO PRODUCE EVIDENCE SUPPORTING THEIR INVOICE WHICH WAS REJECTED SOLELY ON A DISPUTED AOR START DATE OR AOR SEAT COUNT. A FAILURE TO AGREE ON THE AOR START DATE OR AOR SEAT COUNT WILL RESULT IN A JOINT CONTRACTOR AND COMMAND PHYSICAL COUNT PRIOR TO ESCALATION BEYOND THE SITE LEVEL. IF AGREEMENT IS NOT REACHED AFTER JOINT COUNT, ISSUE WILL BE ESCALATED TO THE APPROPRIATE CONTRACTING OFFICER.

6. ORIG ACKNOWLEDGES THAT COMMANDS ARE IN VARIOUS STAGES OF PRE-AOR, AOR, OR CUTOVER, AND IN SOME CASES VARIOUS BUSINESS RULES HAVE BEEN MUTUALLY AGREED FOR PAST PERFORMANCE. WHERE THESE AGREEMENTS EXIST, ARE MUTUALLY AGREED TO AND DOCUMENTED, THEY TAKE PRECEDENCE OVER AOR INVOICING POLICIES IN THIS MESSAGE. HOWEVER, ALL OTHER COMMANDS THAT ARE STILL TRYING TO RECONCILE AOR INVOICES (WHETHER STILL IN AOR OR IN CUTOVER) DUE TO AOR START DATE OR AOR SEAT COUNT DISCREPANCIES, SHALL ADHERE TO THE BUSINESS RULES DELINEATED ABOVE. FOR THOSE COMMANDS PRE-AOR, ORIG STRONGLY EMPHASIZES THE IMPORTANCE OF DUE DILIGENCE EFFORT DURING TRANSITION TO AOR AND NMCI. FAILURE BY BOTH GOVERNMENT AND CONTRACTOR TO ADHERE TO THE AOR TRANSITION GUIDELINES HAS CONTRIBUTED TO DIFFICULTIES IN SERVICE DELIVERY RECONCILIATION AND IN PAYING CONTRACTOR INVOICES. THIS HAS CONSEQUENTLY PREVENTED DEOBLIGATION OF EXCESS FUNDS FROM NMCI TASK ORDERS FOR OTHER COMMAND REQUIREMENTS.

7. ALCON WILL CONTINUE TO MONITOR AND REFINE PROCESSES AS SEAT ROLLOUT CONTINUES. YOUR CONTINUED INVOLVEMENT AND COMMENTS ARE BOTH

SPECIFICALLY REQUESTED AND APPRECIATED. ANY QUESTIONS CAN BE DIRECTED TO THE ABOVE LISTED POC.

9. RELEASED BY RADM C. L. MUNNS, DIRECTOR NMCI.//